

## The Challenge

The USAID program supports U.S.-Mexico cooperation to strengthen democratic institutions and economic competitiveness, particularly rule of law, security, and broad-based economic opportunity in Mexico. Despite a high gross domestic product per capita, not all Mexicans receive the benefits that extensive trade and a close U.S. partnership might offer. Nearly 27 million Mexicans live on less than \$2 a day. Moreover, environmental degradation in Mexico presents a significant challenge to the country's biodiversity and continued economic growth. After decades of one-party rule, the government has enacted major new programs in transparency and accountability. Given Mexico's proximity to the United States and geo-political importance in the region, it is in the U.S. interest to work with Mexico on its economic and political reform agenda and to promote economic growth.

## Objectives, Sectors and Workforce

**Mission Director: Edward Kadunc**

MCA Status: Not a Candidate

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Received

### Program Budget (Appropriations by Objective)

523-009 Microenterprise  
523-010 Training, Internships, Education and Scholarships  
523-021 Ruling Justly  
523-022 Economic Freedom  
523-023 Investing in People

**Country Total**

FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07	2005 SO Performance Score	Direct SO Admin. Cost Ratio
230	0	0	0	N/A	N/A	N/A
7,952	6,120	7,000	4,689	-41.0%	1.60	Exceeded
9,988	13,445	9,516	8,200	-17.9%	1.12	Exceeded
10,544	8,882	6,577	5,393	-48.9%	1.25	Exceeded
3,700	3,234	3,990	3,720	0.5%	1.33	Exceeded
<b>32,414</b>	<b>31,681</b>	<b>27,083</b>	<b>22,002</b>	<b>-32.1%</b>		

### Program Budget (Appropriations by Account)

Child Survival and Health Programs Fund  
Development Assistance  
Economic Support Fund

**Total**

FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
3,700	3,234	3,990	3,720	0.5%
17,282	15,055	14,084	9,282	-46.3%
11,432	13,392	9,009	9,000	-21.3%
<b>32,414</b>	<b>31,681</b>	<b>27,083</b>	<b>22,002</b>	<b>-32.1%</b>

### Program Budget by Sector and Account

Basic Education DA  
Agriculture and Environment DA  
Higher Education & Training DA  
Economic Growth DA  
Democracy and Governance DA  
HIV / AIDS CSH  
Other Infectious Diseases CSH

**Total**

FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
1,500	1,683	2,062	1,389	-7.4%
5,044	5,912	4,052	2,893	-42.6%
3,740	3,514	2,045	0	N/A
2,112	923	2,893	2,800	32.6%
6,330	2,970	2,525	3,000	-52.6%
668	976	3,400	2,000	199.4%
9,320	12,469	6,116	6,200	-33.5%
2,200	2,182	2,970	2,200	0.0%
1,500	1,052	1,020	1,520	1.3%
<b>32,414</b>	<b>31,681</b>	<b>27,083</b>	<b>22,002</b>	<b>-32.1%</b>

### Workforce

US Direct Hires  
US Non Direct Hires  
Foreign Nationals

**Total**

FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
4	8	8	8	100.0%
8	5	6	6	-25.0%
16	18	23	23	43.8%
<b>28</b>	<b>31</b>	<b>37</b>	<b>37</b>	<b>32.1%</b>

<b>Operating Expense</b>	<b>FY 2004 (\$000)</b>	<b>FY 2005 (\$000)</b>	<b>FY 2006 (\$000)</b>	<b>FY 2007 (\$000)</b>	<b>Percent Change FY 04-07</b>
Salaries and benefits	402	554	624	576	43.3%
Travel	171	195	84	61	-64.3%
Transportation of things	22	5	10	30	36.4%
Rent	177	202	225	225	27.1%
Security	0	0	0	0	N/A
Equipment	83	71	0	35	-57.8%
ICASS - Operating Expense only	126	184	196	196	55.6%
Other Operating Expense	421	185	144	160	-62.0%
<b>Total OE Budget</b>	<b>1,402</b>	<b>1,396</b>	<b>1,283</b>	<b>1,283</b>	<b>-8.5%</b>
US direct hire salary and benefits	635	565	500	553	-12.9%
Program Funded Administrative Expenses				1,875	
<b>Country Total Administrative Budget</b>				3,711	
<b>Percent of Bureau OE Total</b>				3.1%	

<b>Mission Summary</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
Program per US Direct Hire (\$000)	8,104	3,960	3,385	2,750
Program per All US (\$000)	2,701	2,437	1,935	1,572
Program per Position (\$000)	1,158	1,022	732	595
Operating Expense as % of Program Funding				5.8%
Program Funded Admin Expense as % of Total Admin				50.5%
Total Admin Expense as % of Program Funding				16.9%

**Other Major Donors:**

Bilateral: Japan, United Kingdom, Spain, France.

Multilateral: World Bank, Inter-American Development Bank, the United Nations including Pan American Health Organization, United Nations Development Program, United Nations Environment Program, United Nations Fund for Population, UN-AIDS, and the United Nations Children's Fund.

## Mexico PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2004 Actual	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Child Survival and Health Programs Fund	3,700	3,234	3,990	3,720
Development Assistance	17,282	15,055	14,084	9,282
Economic Support Fund	11,432	13,392	9,009	9,000
<b>Total Program Funds</b>	<b>32,414</b>	<b>31,681</b>	<b>27,083</b>	<b>22,002</b>

### STRATEGIC OBJECTIVE SUMMARY

523-009 Microenterprise				
DA	230	0	0	0
523-010 Training, Internships, Education and Scholarships				
DA	5,840	5,197	4,107	1,889
ESF	2,112	923	2,893	2,800
523-021 Ruling Justly				
DA	668	976	3,400	2,000
ESF	9,320	12,469	6,116	6,200
523-022 Economic Freedom				
DA	10,544	8,882	6,577	5,393
523-023 Investing in People				
CSH	3,700	3,234	3,990	3,720

Mission Director,  
Edward Kadunc

## Data Sheet

<b>USAID Mission:</b>	Mexico
<b>Program Title:</b>	Training, Internships, Education and Scholarships
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	523-010
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$4,107,000 DA; \$2,893,000 ESF
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2007 Obligation:</b>	\$1,889,000 DA; \$2,800,000 ESF
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	

**Summary:** The Training, Internships, Exchanges and Scholarships (TIES) Program is an eight year collaborative venture in higher education between the United States and Mexico, announced in 2001 by Presidents Bush and Fox as part of the Partnership for Prosperity. TIES promotes an enhanced capacity of Mexican scholars and institutions to respond to the objectives of the North American Free Trade Agreement (NAFTA), which serves as the basis for selection of shared development concerns between the United States and Mexico. TIES promotes an enhanced capacity of Mexican scholars and institutions to respond to the objectives of NAFTA, which serves as the basis for selection of shared development concerns between the United States and Mexico. TIES includes two primary components: 1) University Partnerships: Through a competitive process, Mexican and U.S. universities are selected for grants to establish partnerships focusing on areas such as trade and investment, agricultural development and environmental protection, public administration, information technology, and disease control. These partnerships develop new masters and joint-degree programs, sponsor scholarships, internships and faculty exchanges, and support short-term courses, workshops and joint research projects. The partnerships include private sector firms, non-governmental organizations, local Mexican governments, and higher education institutions. 2) Community college scholarships: Scholarship recipients are selected through an annual competition, and are primarily rural, indigenous and disadvantaged Mexican students and teachers. Scholars are sent to one and two-year community college programs in the United States to improve their technical skills, and then return to Mexico ready to take advantage of new opportunities. These two components benefit Mexican and U.S. citizens, by increasing Mexican capacity and the understanding by U.S. participants of the opportunities offered by Mexico. The private sector, U.S. and Mexican universities participating in TIES have committed to contribute over \$21 million to the program, surpassing their planned \$15 million contribution.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Improve Quality of Workforce through Vocational/Technical Training (\$2,062,000 DA). Approximately 47 more disadvantaged Mexican youth and teachers are being awarded scholarships to U.S. community colleges and technical institutions. This brings the total number of community college scholarships to date to 153. The second group of scholarship recipients will return to Mexico, with 19 teachers returning to their schools with new skills and knowledge appropriate to Mexico's changing economy and 21 other scholars returning and receiving assistance with reintegration into their communities and job placement services. Principal contractor: Georgetown University/Cooperative Association of States for Scholarships (CASS).

Increase Capacity of Higher Education to Contribute to Development (\$2,045,000 DA, \$2,893,000 ESF). At least 10 new university partnerships are being competitively selected, bringing the total number of TIES university partnerships to 55. All universities involved in TIES partnerships will

combine master's degree training in the United States and Mexico with faculty and student exchanges, joint research and pilot projects. The universities and the private sector continue to provide at least \$1 for every \$1 provided by USAID and demonstrate that the partnership will continue after the end of the USAID grant. By the end of the year, a total of 350 students will have benefited from scholarships. Principal contractor: Association Liaison Office.

**FY 2007 Program:**

Improve Quality of Workforce through Vocational/Technical Training (\$1,389,000 DA). Georgetown University/CASS will award 47 additional community college scholarships, bringing the total to 200. Twenty-two young students will be assisted with reintegration in their communities and job placement through a job fair and 20 indigenous teachers will return to their schools in rural areas. Principal contractor: Georgetown University/CASS.

Increase the Capacity of Higher Education to Contribute to Development (\$500,000 DA, \$2,800,000 ESF). Funds available will not allow USAID to sponsor creation of additional partnerships within the 2003-2008 Strategy. Resources will provide the last years of funding for those partnerships already awarded. Principal contractor: Association Liaison Office.

**Performance and Results:** Of the targeted 50 TIES university partnerships, 45 have been established. The \$15 million cost share commitment by participating universities and the private sector has been exceeded by \$6 million, and the life of project cost share commitment now totals \$21 million. At the end of FY 2005, scholarships totaled 407 and 405 Mexican participants graduated. In FY 2005, university partners provided short-term training for more than 8,700 persons, established 37 new masters-level programs in Mexico, and sponsored 76 internships, 349 exchanges, and 17 national and international seminars on key development issues. In June 2005, USAID held the "U.S.-Mexico University Partnerships for Prosperity Conference" in Guadalajara, Mexico to analyze results achieved by university partners, and to discuss new collaborative ventures in the sectors in which partners now work. More than 200 university and private sector representatives attended. Results of TIES university partnerships include:

1. Twelve U.S. and Mexican universities are collaborating to improve environmental education, environmental quality and public health by reducing toxic pollutants on the border.
2. U.S. and Mexican universities are collaborating in water resource management projects jointly-funded by Mexican state and federal governments and private users to address water supply issues in Mexico.
3. Due to quality control problems, Mexicans working in automotive plants in Saltillo near the U.S.-Mexico border were in danger of losing their jobs to the movement of plants to China and other emerging markets and had few other alternatives for employment. Through a partnership focused on technical training for maquiladora workers, 100 have received quality control training and have new jobs working in control systems for factories, and quality control in the maquila industry has improved.
4. Small dairy producers in central Mexico have received training and assistance that has improved their cheese production techniques, including increased productivity, increased market opportunities and added value for rural producers' products.
5. U.S. and Mexican universities have created five joint degree and three dual degree programs in areas such as Transborder Public Administration, Environmental Sciences, International Business and Marketing.
6. As an offshoot from the successful TIES project to replicate the successful U.S. Small Business Administration's Small Business Development Center (SBDC) model in Mexico, over 40 SBDCs have been created in Mexico. The partnership is working with GOM to establish and secure financing for a robust nationwide SBDC network similar to the U.S. model. This would develop a dynamic entrepreneurial class that will in turn employ many more people and ultimately, increase Mexico's workforce and competitiveness and reduce incentives for migration.

During FY 2005, 41 high school graduates and indigenous teachers were competitively selected for community college scholarships, bringing the total number of disadvantaged students and teachers participating in TIES to 106. The first group of 24 students returned from two years'

study in the United States and participated in a re-entry seminar, which focused on job placement skills, community reintegration, community project implementation, and the creation of an Alumni Association. The first group of 20 teachers returned to rural schools in Chiapas, Oaxaca, Guerrero and Nayarit to begin using their new skills and knowledge. By the end of the TIES program, USAID will have sponsored the creation of at least 55 university partnerships, exceeding the target of 50 set when the program began. In addition, 750 Mexicans, many from disadvantaged backgrounds and poor rural areas, will have received specialized university level training in the United States and Mexico.

## US Financing in Thousands of Dollars

**Mexico**

523-010 Training, Internships, Education and Scholarships	<b>DA</b>	<b>ESF</b>
<b>Through September 30, 2004</b>		
Obligations	8,990	5,200
Expenditures	692	127
Unliquidated	8,298	5,073
<b>Fiscal Year 2005</b>		
Obligations	5,183	923
Expenditures	2,602	1,063
<b>Through September 30, 2005</b>		
Obligations	14,173	6,123
Expenditures	3,294	1,190
Unliquidated	10,879	4,933
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	4,107	2,893
<b>Total Planned Fiscal Year 2006</b>		
Obligations	4,107	2,893
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	1,889	2,800
Future Obligations	1,000	3,001
Est. Total Cost	21,169	14,817

## Data Sheet

<b>USAID Mission:</b>	Mexico
<b>Program Title:</b>	Ruling Justly
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	523-021
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$3,400,000 DA; \$6,116,000 ESF
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2007 Obligation:</b>	\$2,000,000 DA; \$6,200,000 ESF
<b>Year of Initial Obligation:</b>	2003
<b>Estimated Year of Final Obligation:</b>	

**Summary:** USAID's democracy program supports civil society, academic and business sector efforts at the federal and state levels to provide more accountable governance and enhance the rule of law. These efforts will help solidify and strengthen democracy in Mexico and increase the effectiveness and transparency of the Mexican legal system. Specifically, USAID is helping Mexico make ground breaking reforms at both the national and state levels in changing their written, inquisitorial criminal codes to an oral, adversarial system as well as institutionalizing accountable government at all levels in areas ranging from freedom of information (FOIA) laws to citizen charters to creating a business and investment friendly environment.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Protect Human Rights (\$500,000 ESF). USAID strengthens human rights NGOs working on criminal justice reforms and supporting victims of crime and human rights abuse. Principal contractor: Management Systems International (MSI).

Strengthen Civil Society (\$2,000,000 ESF). USAID will provide technical assistance and training to strengthen the management, policy making and multi-stakeholder dialogue capacities of Mexican civil society to serve as better advocates for citizens and watch dogs of government. Principal contractor: Partners for Democratic Change and others to be announced.

Strengthen Democratic Political Parties (\$400,000 ESF). USAID provides technical assistance to political parties to increase internal democratic decision-making, promote increased diversity of political participation, and continue training programs for young political leaders. Principal contractor: the International Republican Institute and the National Democratic Institute.

Strengthen Public Sector Executive Function (\$640,000 DA, \$283,000 ESF). With DA, USAID provides assistance to the federal Government of Mexico (GOM) to strengthen its good governance program and replicate good governance models to Mexican states. With ESF, USAID works with a university and civil society to implement the methodology of a national customer satisfaction index and coordinate citizen and business oversight of the quality and delivery of government services. USAID provides assistance to a network of journalists to support the adoption of ethics codes and professional guidelines, and support civil society efforts to oversee the administration of freedom of information laws. USAID also is transferring its successful anti-corruption web portal [www.atlatl.com.mx](http://www.atlatl.com.mx) to a Mexican NGO and its satellite-based auditor training program to a Mexican university. USAID will support oversight of the executive branch to ensure continued focus on citizen-oriented government. Principal contractor: Casals and Associates.

Strengthen the Justice Sector (\$2,310,000 DA, \$1,883,000 ESF). With DA, USAID supports



justice reform in six target states and at the federal level to implement oral, adversarial codes of criminal procedure. With ESF, USAID supports legal education programs and build the capacity of NGOs, business associations, and academics to promote public education about oral, adversarial criminal justice reforms and that provide citizen watchdog services and administer alternative dispute resolution and restorative justice programs, especially for former detainees and gang members. Principal contractor: MSI.

Support Democratic Local Government and Decentralization (\$450,000 DA, \$1,050,000 ESF). USAID is increasing access to credit and capital market participation and facilitating cross border dialogue and cooperation on issues such as economic development, health care services and public safety. USAID supports the Mexican business sector and civil society in carrying out the World Bank's "Doing Business" project to identify constraints to a competitive business environment at the sub-national level. They will also strengthen citizen oversight to fight corruption and ensure the effective administration of citizen-oriented government at sub-national levels. Principal contractors: Casals and Associates, Evensen Dodge, and others to be announced.

**FY 2007 Program:**

Protect Human Rights (\$300,000 ESF): USAID will continue to support human rights NGOs to serve as effective advocates for victims of crime and human rights abuse and to provide oversight of criminal justice reforms. Principal contractor: MSI.

Strengthen Civil Society (\$2,000,000 ESF): USAID will continue to strengthen the management, policy making and multi-stakeholder dialogue capacities of Mexican civil society to serve as better advocates for citizens. Implementer to be determined through a competitive process.

Strengthen Public Sector Executive Function (\$300,000 DA, \$100,000 ESF): With DA, USAID will work with the federal government and Mexican states on good governance initiatives. With ESF, USAID will continue support for oversight by civil society, business, and academia of the quality and delivery of government services to citizens. Principal contractor: Casals and Associates.

Strengthen the Justice Sector (\$1,700,000 DA, 2,700,000 ESF): With DA, USAID will continue to support criminal justice reform in target states and at the federal level. With ESF, USAID will continue to support legal education programs and build the capacity of NGOs, business associations, and academics to promote public education about new oral, adversarial criminal justice reforms and that provide citizen watchdog services over the criminal justice system. Principal contractor: MSI.

Support Democratic Local Government and Decentralization (\$1,100,000 ESF): USAID will continue to work with the business sector, civil society, and academics to promote greater competitiveness through the World Bank's "Doing Business" project; strengthen citizen oversight to fight corruption and ensure the effective administration of citizen-oriented government at sub-national levels; and increase capital market participation. Principal contractors: Casals and Associates, Evensen Dodge, and others to be announced.

**Performance and Results:** Results include the enactment and implementation of Mexico's first federal Civil Service Law; passage and implementation of FOIA laws by the federal government and 26 states; passage of oral, adversarial criminal justice reforms by the federal congress and the State of Nuevo Leon; oral adversarial codes of criminal procedure drafted by five other states; 30 mediation centers opened in 15 states; 19 states have passed model Supreme Audit Institution (SAI) laws; increased state and municipal engagement with the capital market to build roads and connect rural markets to ports; and 176 citizen charters. By program completion, seven states will have adopted codes of criminal procedure and be implementing new oral, adversarial criminal justice systems; 16 states will have opened court-annexed mediation centers; a network of shelters and a federal TIP law will exist; the federal government and several states

will have good governance agendas including citizen-focused government initiatives with citizen charters and plain-language programs.

## US Financing in Thousands of Dollars

**Mexico**

523-021 Ruling Justly	<b>DA</b>	<b>ESF</b>
<b>Through September 30, 2004</b>		
Obligations	668	13,182
Expenditures	53	4,132
Unliquidated	615	9,050
<b>Fiscal Year 2005</b>		
Obligations	976	12,429
Expenditures	1,557	10,199
<b>Through September 30, 2005</b>		
Obligations	1,644	25,611
Expenditures	1,610	14,331
Unliquidated	34	11,280
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	3,400	6,116
<b>Total Planned Fiscal Year 2006</b>		
Obligations	3,400	6,116
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	2,000	6,200
Future Obligations	0	6,068
Est. Total Cost	7,044	43,995

## Data Sheet

<b>USAID Mission:</b>	Mexico
<b>Program Title:</b>	Economic Freedom
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	523-022
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$6,577,000 DA
<b>Prior Year Unobligated:</b>	\$30,000 DA
<b>Proposed FY 2007 Obligation:</b>	\$5,393,000 DA
<b>Year of Initial Obligation:</b>	2003
<b>Estimated Year of Final Obligation:</b>	

**Summary:** USAID's environment and economic growth program works to improve sustainable use and conservation of Mexico's diverse natural resources; support use of cleaner production and renewable energy technologies; better the livelihood of poor Mexicans through increasing their participation in community decision-making about resource use and economic development; and increase access to financial services.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Improve Sustainable Management Of Natural Resources and Biodiversity (\$3,777,000 DA). USAID is supporting community decision making and more effective institutional coordination in addressing the needs of high-biodiversity areas by supporting management plans within communities, institutions and government agencies. USAID collaborates with the Government of Mexico (GOM) on activities in forestry, protected area management and environmental protection, increasing linkages between USAID's sites and Mexico's national environmental priorities. USAID provides technical assistance to communities for environmentally sound economic growth in the following areas: strategic management of timber; production of wood products; fire management planning and capacity development; and income producing opportunities including coffee, cacao, and sustainable tourism. Better overall coordination in these key areas supports recovery efforts from the hurricanes that severely impacted Mexico in 2005, and helps reduce the risk of future disasters. Principal contractors and grantees: Conservation International, The Nature Conservancy, World Wildlife Fund, Chemonics International, Rainforest Alliance, US Forest Service, and Mexican Nature Conservation Fund.

Reduce, Prevent and Mitigate Pollution (\$800,000 DA). USAID supports activities linking energy savings and water conservation in water-stressed areas along the U.S.-Mexico border, as well as activities in renewable energy and planning. Through its Methane to Markets Program, USAID facilitates the development of landfill gas projects, reduces emissions from hydrocarbon industries, and captures emissions from feedlot waste. USAID reduces pollution in Mexico City and Quintana Roo; promotes pollution control in key industries such as petroleum; and advocates for the use of cleaner production technologies in environmentally-important regions. Principal contractor: PA Consulting and the Alliance to Save Energy.

Strengthen The Financial Services Sector and Increase Access to Capital (\$2,000,000 DA). USAID provides technical assistance to 12 microfinance institutions (MFIs), the Caja Popular Mexicano (CPM) and the Alianza Bancomún de la Frontera; USAID also provides small grants to MFIs developing new products and services, including those related to remittances and provides technical assistance to strengthen the Mexican bank regulatory authority, La Comisión Nacional Bancaria de Valores (CNBV); USAID is building consensus on policy and institutional reforms; and supporting micro business integration into value chains in emerging markets, linked where possible to sustainable productive activities already underway. Principal contractor: Development

Alternatives, Inc., World Council of Credit Unions, and Catholic Relief Services.

**FY 2007 Program:**

Improve Sustainable Management Of Natural Resources and Biodiversity (\$3,543,000 DA): USAID will continue to support the implementation of improved natural resource management plans in targeted regions, and advance income-producing ventures in forest products, coffee, cacao and ecotourism, and to improve Mexican planning and technical capacity to reduce the vulnerability to fires and natural disasters.

Reduce, Prevent and Mitigate Pollution (\$850,000 DA): USAID will continue energy and water conservation activities in key areas along the northern border and in Quintana Roo in order to demonstrate linkages between water and energy efficiency and increased savings and decreased pollution. The Regional Clean Production Centers' capacity building initiatives will help multiply the use of these practices in sectors where USAID is not involved. USAID will also continue to support national programs that promote renewable energy.

Strengthen The Financial Services Sector and Increase Access to Capital (\$1,000,000 DA): USAID will provide target MFIs with technical assistance in expanding client outreach, developing new products, and improving financial health. USAID will provide technical assistance to improve MFI regulatory practices. The Mission will continue to develop the local support services industry and to inspire innovation in rural finance and remittance policies.

**Performance and Results:** With USAID technical assistance, government authorities and community decision-makers in five targeted watershed areas have developed and advanced environmental planning processes. The new Governors of Oaxaca and Chihuahua officially cited USAID funded assistance in conservation and sustainable development as a major contribution to their overall state action plans. USAID supported the implementation of more efficient timber harvesting and processing practices in certified community forests in Durango and Oaxaca, resulting in income gains of up to 66%. Under the USAID rural prosperity program and Global Development Alliances, coffee producers are increasing incomes through improved cultivation practices and improved links to specialty markets. Overall, USAID worked in over 450,000 hectares to improve the management of critically important biodiversity areas and increase the living standards of the local communities.

USAID cooperated with Mexico's Secretariat of Energy and four state governments as they committed to implement off-grid renewable energy programs; assisted in the establishment of a network of over 1,500 municipal government water users to share conservation practices; assisted in the drafting of regulations by the Mexico City Government requiring the use of solar thermal heating by all new commercial establishments; supported energy use audits which led to significant cuts in energy and water use in several states; and held an event to launch the Methane to Markets agreement with the Secretariat of Environment and Natural Resources, which will increase methane recovery and use for innovative power applications.

USAID's microfinance activities focused primarily on strengthening the capacities of MFIs in internal controls, business planning, information systems, adjusting operating practices and developing new products. With USAID funded assistance through the World Council of Credit Unions (WOCCU), the CPM doubled the number of members to over one million, improved its overall financial status, and entered into an agreement with credit unions in the United States to channel remittances. USAID carried out a survey to determine the areas in which MFIs require local consulting services and an agreement was reached with the CNBV regarding areas requiring capacity building in order to improve the supervisory environment for MFIs.

## US Financing in Thousands of Dollars

**Mexico**

523-022 Economic Freedom	<b>DA</b>
<b>Through September 30, 2004</b>	
Obligations	14,795
Expenditures	1,642
Unliquidated	13,153
<b>Fiscal Year 2005</b>	
Obligations	8,842
Expenditures	8,768
<b>Through September 30, 2005</b>	
Obligations	23,637
Expenditures	10,410
Unliquidated	13,227
<b>Prior Year Unobligated Funds</b>	
Obligations	30
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	6,577
<b>Total Planned Fiscal Year 2006</b>	
Obligations	6,607
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	5,393
Future Obligations	7,973
Est. Total Cost	43,610

## Data Sheet

<b>USAID Mission:</b>	Mexico
<b>Program Title:</b>	Investing in People
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	523-023
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$3,990,000 CSH
<b>Prior Year Unobligated:</b>	\$600,000 CSH
<b>Proposed FY 2007 Obligation:</b>	\$3,720,000 CSH
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Year of Final Obligation:</b>	

**Summary:** USAID's HIV/AIDS and Infectious Disease Programs support the efforts of the Government of Mexico (GOM) to prevent and control both HIV/AIDS and tuberculosis (TB) in vulnerable populations. For HIV/AIDS, the focus is to contain and reduce the virus within vulnerable populations to prevent its spread to the general population. For TB, the focus is to improve the quality and sustainability of Directly Observed Therapy-Short Course (DOTS) in priority regions, including the U.S./Mexico border, where 70% of TB cases in Mexico are found.

USAID's support will improve surveillance and reporting for both diseases, training of health workers, community based approaches for TB detection, treatment and education, HIV/AIDS prevention including behavior change communication and promotion of health-seeking practices; mitigation of the impact of HIV/AIDS through reduction in stigma and discrimination, and an improved policy environment for HIV/AIDS.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Prevent and Control Infectious Diseases of Major Importance (\$1,020,000 CSH). USAID continues to collaborate with the Health Secretariat's National TB Program (NTP) network to control, prevent, and diagnose TB in priority areas including the U.S./Mexico border. In addition new and existing grants to U.S. and Mexican NGOs strengthen the capacity of local partners to carry out community-based TB control, including health worker training, social mobilization and TB/HIV co-infection detection and treatment. Implementation of DOTS activities to better control and treat tuberculosis and drug-resistant TB are being enhanced and USAID is also upgrading the diagnostic capabilities of state-level laboratories. Principal contractor and grantees: Project Concern International, the California-based Public Health Institute, the U.S.-Mexico Border Health Association, the University of Texas, El Paso and the Autonomous University of Ciudad Juárez, and the University of Texas Health Science Center, San Antonio, and the Autonomous University of Tamaulipas.

Reduce Transmission and Impact of HIV/AIDS (\$2,970,000 CSH). USAID continues promoting responsible behavior among the most-at-risk groups for HIV/AIDS in Mexico through behavior change communication interventions incorporating the ABC approach (abstinence, being faithful and correct condom use) to HIV/AIDS prevention. The results of a comprehensive survey of communication efforts to date and on behavior and HIV status among vulnerable populations are being used to improve communication interventions. Firms belonging to the National Business Council on HIV/AIDS (CONAES) are recruiting more Mexican companies to join the Council to implement anti-stigma and treatment programs in the workplace, increase the workers covered by such policies, and finance services received from Mexican NGOs. Training materials adapted for use in Mexico that deal with reduction of discrimination related to HIV/AIDS patients among healthcare workers are being tested with a view to incorporating such training in GOM national healthcare workers training programs. USAID will continue to play a key role in promoting multi-sector collaboration on HIV/AIDS along the U.S.-Mexico border, through entities such as the U.S.-Mexico Border Health Association. Finally, at least one new public-private alliance is being awarded with activities to target communities with high migration to the United States, and to expand geographic reach of the behavior change program. Principal contractor and

grantees: Family Health International, Population Services International, and Futures Group.

**FY 2007 Program:**

Prevent and Control Infectious Diseases Of Major Importance (\$1,520,000 CSH). Activities to widen implementation of the DOTS strategy will continue. Collaboration on the U.S.-Mexican border will be augmented.

Reduce Transmission and Impact Of HIV/AIDS (\$2,200,000 CSH). USAID will continue support for behavior change activities aimed at the most-at-risk groups for HIV/AIDS in Mexico. The activities will include promotion of safer behaviors, including abstinence, fidelity, delay of sexual debut, and condom social marketing for most at risk groups. USAID will continue to support collaboration among Mexican and U.S. organizations in border states for prevention and control of HIV/AIDS. CONAES will be financing its own training and exchange of experiences in promoting stigma-free workplaces, thus enabling the Impulso non-governmental organization network to expand its services outside CONAES to other sectors of Mexican society.

**Performance and Results:** During FY 2005, the following results were achieved: more than 150,000 Mexicans attended a total of 14,535 behavior change communication events carried out, which exceeded the goal of 6,500 events: through an alliance with the private sector, positive changes in workplace policies affecting HIV/AIDS patients and their families were made; 24 U.S. corporations operating in Mexico joined forces to create CONAES under the U.S. based AIDS Responsibility Project (ARP), whose mission is to “eradicate HIV/AIDS-related stigma in the workplace.” All of these firms, representing more than 300,000 employees, committed themselves to taking the necessary actions within their companies to accomplish that mission. Cross-border cooperation in HIV/AIDS response was strengthened as the first cross-border group was established by citizens from Tamaulipas and southern Texas. Three sets of sister cities are now collaborating (Matamoros-Brownsville, Reynoso-McAllen, and Laredo-Neovo Laredo), and the Nursing Department of the Universidad Autónoma de Tamaulipas and the AIDS Education and Training Center in Dallas have begun joint training of clinicians in order to avoid interruptions in care/treatment of persons with HIV/AIDS.

Also, to support and strengthen technical capacity in institutions of higher education, two university partnerships for collaboration in TB research and control were approved: one between the University of Texas, El Paso and the Autonomous University of Ciudad Juárez and a second between the University of Texas Health Science Center in San Antonio and the Autonomous University of Tamaulipas. Implementation of community based TB strategies in the border area of Baja California was continued by Project Concern International, which among other successes has already recruited 39 community health volunteers, trained 267 health workers and enrolled 131 new tuberculosis patients in the project. In addition, two new border TB program grants were approved. The first is the California-based Public Health Institute for the Puentes de Esperanza Program, a three-year effort that will establish a bi-national alliance of health providers and other organizations committed to improving treatment of multiple-drug resistant TB patients in the Southern California - Baja California region. The second program is the U.S.-Mexico Border Health Association to implement a peer model for TB/HIV prevention and treatment.



## US Financing in Thousands of Dollars

**Mexico**

523-023 Investing in People	<b>CSH</b>
<b>Through September 30, 2004</b>	
Obligations	2,452
Expenditures	16
Unliquidated	2,436
<b>Fiscal Year 2005</b>	
Obligations	2,705
Expenditures	1,523
<b>Through September 30, 2005</b>	
Obligations	5,157
Expenditures	1,539
Unliquidated	3,618
<b>Prior Year Unobligated Funds</b>	
Obligations	600
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	3,990
<b>Total Planned Fiscal Year 2006</b>	
Obligations	4,590
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	3,720
Future Obligations	11,856
Est. Total Cost	25,323